



DIOCESE OF AUSTIN

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**FINANCES AND INSURANCE**



# DIOCESE OF AUSTIN

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## Policy on Cathedraticum and Diocesan Finances

*Effective July 1, 2003*

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. All parishes shall pay cathedraticum.
- II. Cathedraticum is calculated on accessible income at the rate of 9% for parishes that have a school and at 10% for parishes without a school.
- III. This policy assumes that the diocese will continue to monitor and reduce the subsidy to health insurance (this is already in place), that the Stewardship and Development Offices will be very assertive in enabling the diocese to move toward genuine stewardship, and that contributions to the Catholic Services Appeal will increase.
- IV. Cathedraticum Percentages and Computation Method.

Cathedraticum for the each fiscal year is to be based on parish financial statement from the most recent calendar year (January 1 through December 31). The calculation will as follows:

Annual Assessable Income <sup>1</sup>	\$\$\$\$\$\$\$\$\$
Less:	
Interest Expense	-\$\$\$\$\$\$\$
School Subsidy	-\$\$\$\$\$\$\$
Other approved Deductions	<u>-\$\$\$\$\$\$\$</u>
Assessable Amount	\$\$\$\$\$\$\$\$\$
Assessment Rate (either 9% or 10%)	<u>\$\$\$\$\$\$\$\$\$</u>
Cathedraticum	\$\$\$\$\$\$\$\$\$

<sup>1</sup> Assessable Income will not include assessable contributions made to approved capital campaigns. Assessable capital campaign contributions will be assessed at the assessment rate in the year collected and will be paid separately by check quarterly to the diocese. Capital campaign contributions are not included in computing annual cathedraticum. Parish should insure that capital campaign amounts are recorded correctly on the quarterly financial report.

- V. The diocesan Finance Office will bill each parish their annual cathedraticum assessment on July 1 each year.
  - A. Payments will be made via Automated Clearing House (ACH) each month on or about the 21.
  - B. Parish must obtain approval from the Chief Financial Officer, if other payment arrangements are required.
  - C. Monthly statements will be sent for cathedraticum similar to the ones sent for other billings (pension, property/liability insurance, etc.).
- VI. The assessment rate will be 10% for parishes with no schools and 9% for parishes with schools.
- VII. Please call Rick Virgne, Director of Parish Business Services or Mary Beth Koenig, Chief Financial Officer, if you have any questions concerning the cathedraticum policy.



## DIOCESE OF AUSTIN

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### **Policy Regarding the Purchase of Special Event Insurance**

*Effective Sept. 7, 2011*

- I. A parish or school should purchase special events insurance for the following events, at a minimum:
  - A. Festivals
  - B. Bazaars
  - C. Jamaicas
  - D. Fiestas
- II. The parish or school at which the event is held is responsible to arrange for the purchase of the special events insurance.
  - A. If a parish or school uses the facilities of another parish or school for items A – D above, the parish or school should reimburse the parish or school that owns the facilities the cost of the insurance.
    1. Both entities (the one which owns the facilities and the one that uses the facilities) should know the requirements of this policy and assure that the required insurance has been purchased.
- III. A parish or school that fails to comply with this policy is responsible for a deductible of \$50,000 related to any loss or cost to defend any claim resulting from any of the listed applicable events.
  - A. If multiple entities (parishes or schools) are defendants in a claim and each failed to comply with this policy, each entity shall share the cost of the deductible equally.
- IV. A parish or school that complies with this policy enjoys the level of insurance coverage subject to the normal deductible.



## DIOCESE OF AUSTIN

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### **Policy Regarding Risk of Loss from Fraud, Theft and Embezzlement Claims**

*Effective July 27, 2011*

A parish, school, or other organization falling under the diocesan umbrella insurance policies is responsible for incurring the first \$50,000 in any loss due to financial fraud, theft, or embezzlement that is not covered or reimbursed by the insurance carriers or perpetrator.



## DIOCESE OF AUSTIN

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### **Policy Regarding Financial Support to Schools from Parishes**

*Effective Sept. 12, 2011*

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy.

- I. Effective July 1, 2012, each parish that does not operate a school shall contribute at least \$300 per school year for any parishioner's child to the Catholic school at which the parishioner's child is enrolled in the diocese.
  - A. For the purpose of this policy, a "parishioner" means a member of the faithful who is registered at the parish and is supporting his or her parish.
  - B. This policy does not change or alter any previous arrangements under which a parish has agreed to contribute more than this required minimum amount.
- II. If a parish seeks to be relieved of all or part of its obligation under this policy, the pastor of the parish must consult with and demonstrate financial hardship to the Diocesan Financial Office, which will make recommendations to the vicar general and bishop in response to the request.
- III. Each school principal will provide the names of the students enrolled in the school as well as the amount of any tuition assistance provided to each student to the pastor at each parish
  - A. Each school shall submit invoices to pastors with respect to the parish's obligation under this policy.
    1. Each invoice should contain the names of the students from the parish enrolled in the school.
  - B. Pastors may request and receive other financial information about the school.
- IV. Prior to the effective date of this policy, parishes are encouraged to and shall make their best effort to support Catholic schools by contributing \$300 per parishioner, at a minimum.
- V. Each parish is strongly encouraged to provide financial assistance to neighboring parishes that support schools, regardless of the number of students coming from their parish.
- VI. All parishes will allow and encourage marketing and recruiting efforts from local Catholic schools, especially during Catholic Schools Week.



## DIOCESE OF AUSTIN

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### **Action to be Taken When Dismissing Employees**

- I. A parish, school, or other organization that is covered by the diocesan umbrella liability policy may contact the Chancellor or Vice-Chancellor at any time for assistance in matters involving human resources.
- II. A parish, school, or other organization must consult with the Chancellor or Vice-Chancellor prior to dismissing an employee.
- III. A parish, school, or other organization that fails to consult with the Chancellor or Vice-Chancellor prior to dismissing an employee, or fails to follow the recommendations of the Chancellor or Vice-Chancellor, shall pay the first \$50,000 of any costs relating to a dispute brought by an employee.



## DIOCESE OF AUSTIN

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# Quarterly Financial Report



I. Parishes must file quarterly reports with finance.

<b>Parish Name</b> <i>type in parish name this box</i>	<b>Par#</b> <i>Par # Here</i>
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<b>Report prepared By</b>	
<b>Contact #</b>	
<b>Fiscal Year</b>	2010

**Account Description** **Number** **Enter Qtr (Sept. Dec. March or June)**

**ASSETS**

Cash (Checking Accounts)	-
DIAL Deposits	-
Other interest bearing accounts	-
Building Fund Accounts	-
Other	-
Plant assets	-
<b>TOTAL ASSETS</b>	-

**LIABILITIES**

Accounts Payable	-
Payable to diocese: Assessment	-
Health Ins.	-
Property Liab.	-
Payroll taxes	-
Accrued interest	-
Funds held in trust	-
Funds held for transmittal	-
Notes Payable: Diocesan Savings & Loan	-
CEF	-
Other	-
Other	-
<b>TOTAL LIABILITIES</b>	-

<i>Prior Fund Balance -----&gt;</i>	0
<b>FUND BALANCE (Assets-Liabilities)</b>	-
<b>FUND BALANCE (Beg Bal + Net Inc/Loss)</b>	-
Amount Off by: (Should be zero)	-
Percentage Off by:	#DIV/0!

**REVENUES**

**Assessable**

Sunday and Holyday collections	-
Non-Exempt Building Campaign **	-
Building Maint. & debt reduction collections	-
Gifts, donations, bequests	-
Fundraising (net)	-
Interest/dividends	-
Rents & Royalties	-

<b>Other – (Insert Description)</b>	-	
<b>Total Assessable</b>	-	

<b>Non-Assessable</b>		
Religious Education fees	-	
Exempt Building Campaign (Must be Approved)	-	
Subsidies	-	
Legacy & Faith Collections	-	
Other Non-Assessable (Insert Description)	-	
<b>Total Non Assessable</b>	-	

<b>TOTAL REVENUES</b>		0
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**EXPENDITURES**

Pastoral services	-	
Religious development	-	
General and administrative	-	
Social services	-	
Plant operation and maintenance	-	
Annual diocesan assessment (ACH)	-	
Interest expense	-	
Depreciation expense	-	
Other	-	
Other – Deductible	-	
School subsidies	-	

<b>TOTAL EXPENDITURES</b>	-	
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Excess/Deficit	-	
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<b>Prior Period Adjustments</b>	-	
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<b>Additional Assessment Due (Capital Campaign) @ 10%</b>	-	
<b>This should be paid at the time this report is submitted.</b>		

\*\* This account is only to be used when the parish has a Diocesan Capital Campaign. This account will rarely be used. Any amount entered here will have cathedraticum applied to it and that amount will need to be paid by check in addition to the normal cathedraticum paid monthly by ACH. Amounts entered here are excluded for computation of future assessable income for computing cathedraticum.

## DIOCESE OF AUSTIN QUARTERLY FINANCIAL REPORT

PARISH NAME: \_\_\_\_\_  
 CITY: \_\_\_\_\_  
 PARISH NUMBER: \_\_\_\_\_ QUARTER ENDING: \_\_\_\_\_

### BALANCE SHEET ASSETS

<u>ACCOUNT</u>	<u>CODE</u>	<u>AMOUNT</u>
Cash	11100	
Interest-bearing funds	11120	
Building fund	11125	
Accounts receivable	11220	
Other	11300	
Plant assets	11400	

**TOTAL ASSETS:** \_\_\_\_\_

### LIABILITIES

<u>ACCOUNT</u>	<u>CODE</u>	<u>AMOUNT</u>
Accounts Payable	21100	
Payable to diocese:   Assessment	21110	
Health Insurance	21120	
Property Liability	21130	
Payroll taxes	21200	
Accrued interest	21300	
Funds held in trust	22110	
Funds held for transmittal	23110	
Notes Payable:   Intradiocesan	24100	
Clerical Endowment Fund	24110	
Bonds Payable	24130	
Notes Payable – Other	24190	
Other	25110	

**TOTAL ASSETS:** \_\_\_\_\_

**FUND BALANCE (Total Assets – Total Liabilities):** \_\_\_\_\_

=====

FUND BALANCE FROM PREVIOUS QUARTER: \_\_\_\_\_  
 PLUS EXCESS (DEFICIT) OF RECEIPTS \_\_\_\_\_  
 OVER EXPENDITURES (FROM PG. 2):           + \_\_\_\_\_  
**FUND BALANCE SHOULD BE: =** \_\_\_\_\_

## INCOME STATEMENT REVENUES

<u>ACCOUNT</u>	<u>CODE</u>	<u>AMOUNT</u>	<u>ASSESSMENT CALCULATION</u>
<b>Sunday and holyday collections</b>	<b>41100</b>		* <b>ADD</b>
<b>Special collections NOT for transmittal</b>	<b>41110</b>		* <b>ADD</b>
Exempt building fund contributions #	41120		
Other exempt collections	41130		
<b>Gifts, donations, bequests</b>	<b>41200</b>		* <b>ADD</b>
Subsidies	41500		
Religious Education fees	42100		
<b>Fundraising (net)</b>	<b>44100</b>		* <b>ADD</b>
<b>Interest/dividends</b>	<b>45100</b>		* <b>ADD</b>
<b>Royalties</b>	<b>45110</b>		* <b>ADD</b>
<b>Rents</b>	<b>45120</b>		* <b>ADD</b>
<b>Other – assessable</b>	<b>48600</b>		* <b>ADD</b>
Other – not assessable	48600		

TOTAL REVENUES: \_\_\_\_\_

# Exemption must be approved in writing by Bishop Vásquez or Mary Beth Koenig.

## EXPENDITURES

<u>ACCOUNT</u>	<u>CODE</u>	<u>AMOUNT</u>	
Pastoral services	51000		
Religious development	52000		
General and administrative	55000		
Social services	55400		
Plant operation and maintenance	56000		
Diocesan assessment	57100		
<b>Interest expense</b>	<b>57500</b>		* <b>DEDUCT</b>
Other	58600		
<b>School subsidies</b>	<b>59100</b>		* <b>DEDUCT</b>

TOTAL EXPENDITURES: \_\_\_\_\_

EXCESS (DEFICIT) OF REVENUES  
OVER EXPENDITURES: \_\_\_\_\_

**TOTAL ASSESSABLE AMOUNT: \_\_\_\_\_**

**x 10% = \_\_\_\_\_**  
**TOTAL ASSESSMENT DUE**

Report prepared by \_\_\_\_\_

Telephone # \_\_\_\_\_



DIOCESE OF AUSTIN

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## **Parish Quarterly Reports Explanation of Accounts**

Austin Diocese  
Chart of Accounts Detail

## **ASSETS**

Cash: Main parish checking accounts, including Altar Society, men's clubs, etc. (if applicable).

DIAL: All deposits in the Diocesan Savings and Loan (DIAL) program.

Interest-Bearing Funds: Savings accounts, brokerage accounts, etc.

Building Fund: Account for funds collected for major construction, maintenance or renovation projects.

Petty Cash: Cash on hand to pay for minor expenses not to exceed \$25. Petty cash should never be used to pay for employee compensation.

**Note: ALL bank and investment accounts must be included in one of the above categories.**

Accounts Receivable: Any monies that are owed to your parish.

Example: Loans owed to you by a mission or another parish.

\*Interest receivable should also be included. Loans should not be made to parish employees.

Other: Please specify what is included in this account. (You may make a note at the bottom of the page, or on the line beside the code.)

Plant Assets: The original cost, less depreciation, for buildings, furnishings, and vehicles. Land is also included but not depreciated.

## **LIABILITIES**

Payroll Taxes: Any FICA, Medicare and federal taxes not yet sent to the IRS. This includes the parish expense portion of the FICA, until it is sent to the IRS (this is also included in the expenditure "General and Administrative").

Accrued Interest: Imputed interest on all debt that has not been paid.

Funds Held in Trust: Altar Society, St. Vincent de Paul, Men's Club, cemetery funds, etc.

Funds Held for Transmittal: Second collections taken for outside charitable organizations that have not been sent to the pastoral center. Examples: CSA, mission collections, national collections, disaster collections, etc.

Notes Payable: DIAL – Loans that you owe to The DIAL.

Notes Payable: CEF – Loans that you owe to the Clerical Endowment Fund.

Austin Diocese  
Chart of Accounts Detail

Notes Payable: Other – any monies that you owe to outside institutions, other than those specified.  
Examples: Lease obligations, vehicle loans, lines of credit, etc.

Other: Please specify.

## **REVENUES**

### **Assessable:**

Sunday and Holyday collections: Normal Mass collections.

Non-Exempt Building Campaigns. Contributions to diocesan-approved building campaigns.

Building maintenance & debt reduction : Contributions other than approved capital campaigns for building maintenance and debt reduction.

Gifts, donations & bequests: Large amounts provided to the parish outside of the normal Sunday collection. Donations of non-cash items such as stock should be converted to cash immediately.

**Fundraising (Net): all revenues and expenditures should be included in this total.**

Interest and Dividends: Interest or dividends received from any checking or interest bearing savings account.

Rents: Includes rent payments for use of parish facilities such as parish activity center or hall. Also includes rents from commercial properties. Rents may be subject to UBIT.

Other—Assessable: Other income that is subject to assessment. Please specify. (Detail must be provided.)

### **Non-Assessable Income**

Exempt Building Fund Contributions: The building fund must be approved by the diocesan Building Commission, and the exemption must be approved in writing by Mary Beth Koenig or Bishop Vásquez.

Subsidies: Monies received from other parishes, altar societies, Men's Club, diocesan grants, etc.

Religious Education: All fees collected from parishioners associated with religious education.

Other Exempt Collections: Extremely rare; must be approved in writing by Bishop Vásquez.

Other—Not Assessable: Other income not subject to assessment. Please specify. (Detail must be provided.)

Austin Diocese training July 19, 2006  
Chart of Accounts detail

Diocesan Campaign contribution: Portion of Our Faith ~ Our Legacy campaign payments attributable to parish.

## **EXPENDITURES**

Pastoral Services: Any expense associated with the clergy, rectory, and liturgy. Examples of clergy and rectory expense: salary, telephone, utilities, household expense, travel expense, stipends, etc. Examples of Liturgy expense: missals, hymnals, hosts, wine, flowers, etc.

Religious Development: DRE salaries, Religious Education expenses, youth program expenses, adult education expense, etc.

General and Administrative: Clerical salaries, FICA expense, medical insurance, telephone, office supplies, workers' compensation premiums, etc.

Social Services: Social activities/hospitality, donations to other charities.

Plant Operations and Maintenance: Utilities for church buildings, custodian salaries, property insurance, property taxes (if any), landscape services and general maintenance on buildings or equipment.

Diocesan Assessment: This should be the amount of your assessment for the quarter. It should also go into the liability "Payable to diocese: Assessment" until it is paid. If you pay it all in the current quarter, then no entry needs to be made in the liability.

Interest Expense: Interest paid on debt.

Other: Please specify.

School Subsidies: Direct subsidy to parish school. Please attach the school financial.

\*The following expenditure accounts can be deducted from the amount subject to assessment:

- Interest Expense
- School Subsidies





## DIOCESE OF AUSTIN

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### **Policy on Extraordinary Expenditures**

*Revised February 2011*

Pastors and administrators have the authority to enter into all contracts and expend such sums as are necessary in the routine administration of a parish. Frequently, the question arises about extraordinary expenditures, and, in order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. Effective as of this date, pastors and administrators may expend up to \$10,000 on any single expenditure without consultation or consent of the diocese, with the exception of real estate (See [IV](#) below).
- II. As regards contracts and/or expenditures in excess of \$10,000 but under \$50,000, the pastor or the administrator should advise the diocesan Finance Officer before proceeding to finalize the transaction.
- III. All contracts and expenditures in excess of \$50,000 will require the written consent of the diocesan Bishop or his delegate.
  - A. All such contracts and expenditures that are entered into for the benefit of the parish are to be signed by the pastor or administrator in his own name, that is, in his capacity as pastor or administrator, not personally.
- IV. However, where title to real estate is involved, the diocesan Bishop must act since he holds title to all real property of the churches.
  - A. The proper legal title to be used is:  
Joe S. Vásquez, Bishop of Austin and His Successors in Office.
- V. In building projects, the pastor or administrator may enter into a contractual arrangement with an architect, but any construction contract must be signed by the diocesan Bishop or his delegate.



## DIOCESE OF AUSTIN

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### **Policy Avoiding the Use of 15-Passenger Vans**

While authorities and safety organizations have not stated that 15-passenger vans are inherently dangerous, published information raises questions when considering whether to purchase or rent a 15-passenger van. In cautious concern, the Diocese of Austin adopts the following policy.

- I. Parishes and schools should not purchase or rent 15-passenger vans.
- II. Existing 15-passenger vans owned by parishes and schools should be phased out. If a parish or school currently owns a 15-passenger van, it should seek to replace it with another type of vehicle.
- III. Appropriate vehicles for transporting parishioners, youth, or students include passenger vehicles, chartered buses (large or small), multifunction school activity buses, and school buses.
- IV. Schools should note that Texas law imposes certain requirements on schools when transporting schoolchildren; which, in part, applies to Catholic schools (14 TAC §14.51-.53 and Chap. 34, Education Code).
  - A. Schools should verify that their school buses satisfy Texas School Bus Specifications.